

Regular Session, 2009

HOUSE BILL NO. 819

BY REPRESENTATIVE GREENE

TAX/SALES & USE: Excludes certain tangible personal property from the state sales and use tax on repair services

1 AN ACT

2 To enact R.S. 47:301(14)(g)(iv), relative to the sales and use tax on repair services; to
3 exclude from the definition of "tangible personal property" the repair of certain
4 machinery and equipment which becomes a component part of a building; and to
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:301(14)(g)(iv) is hereby enacted to read as follows:

8 §301. Definitions

9 As used in this Chapter the following words, terms, and phrases have the
10 meaning ascribed to them in this Section, unless the context clearly indicates a
11 different meaning:

12 * * *

13 (14)(g)(i)

14 * * *

15 (iv) For purposes of the imposition of the sales and use tax levied by the state
16 or any of its political subdivisions on the furnishing of repairs to tangible personal
17 property, and notwithstanding any other provision of law to the contrary, the term
18 "tangible personal property" shall not include "machinery and equipment", as defined
19 by Subitem(3)(i)(ii)(aa) of this Section, that is permanently attached to or
20 incorporated into a building with the intent that it remain so attached for its useful

1 life. Notwithstanding Subitem(3)(i)(ii)(aa)(II) of this Section, for purposes of this
 2 Item, machinery and equipment includes any component part permanently attached
 3 to a manufacturing plant facility as defined in Subitem(3)(i)(ii)(ee) of this Section.

4 (aa) For purposes of this Item, "permanently attached to or incorporated
 5 into" does not require substantial damage to or total destruction of the machinery or
 6 equipment, or the building if removed, but does require that the machinery or
 7 equipment be permanently connected to the building's electrical, ventilation or
 8 plumbing systems, or permanently bolted or welded to the building in order to
 9 operate properly or to satisfy operational design requirements.

10 * * *

11 Section 2. This Act shall become effective upon signature by the governor or, if not
 12 signed by the governor, upon expiration of the time for bills to become law without signature
 13 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 14 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 15 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Greene

HB No. 819

Abstract: Excludes the repair of certain manufacturing machinery and equipment from the sales and use tax on repair services.

Present law provides for definitions of "tangible personal property" for purposes of sales and use tax.

Proposed law retains present law and adds exclusion from the sales and use tax on repair services for manufacturing machinery and equipment which is made a component part of a building.

Effective upon signature of governor or lapse of time for gubernatorial action.

Adds R.S. 47:301(14)(g)(iv)